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C O N F I D E N T I A L SECTION 01 OF 03 SANTIAGO 000017

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E.O. 12958: DECL: 2020/01/15

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SUBJECT: Former President Lagos Discusses Honduras, Latin America
with A/S Valenzuela

REF: A) 09 SANTIAGO 831; B) 09 SANTIAGO 935

CLASSIFIED BY: Simons, Paul, AMB, State; REASON: 1.4(B), (D)

11. (C) Summary: During a January 11 meeting with A/S Valenzuela, former President Ricardo Lagos offered any help he can provide in persuading de facto Honduran leader Roberto Micheletti to step down prior to the inauguration of president-elect Porfirio Lobo on January 27. Lagos also discussed plans to put together a working group of center-left progressive regional leaders and predicted that Chile's policies will change little even if opposition candidate Sebastian Pinera wins the January 17 presidential run-off election. End summary.

Honduras

12. (C) Former President Ricardo Lagos (1994 - 2000) discussed Honduras with A/S Valenzuela in a January 11 meeting in Santiago. (Note: Lagos co-chairs the Tegucigalpa-San Jose Accord implementation committee together with U.S. Secretary of Labor Hilda Solis. See Refs A and B. End note). Valenzuela was accompanied by the Ambassador, Poloff, and Pol Specialist (notetaker). Echoing his previous remarks to the Ambassador, Lagos commented that he had called Cardinal Oscar Andres Rodriguez several weeks ago to insist that it would be completely unacceptable for the de-facto president, Roberto Micheletti, to hand over the presidential sash to President-elect Porfirio Lobo on January 27. He urged the Cardinal to help persuade Micheletti to step down. The Cardinal told Lagos that he could try to convince Micheletti to hand-over the sash to the President of the Congress during the day of the ceremony in private, so as to not appear at the ceremony, an idea Lagos characterized as "absurd." He lamented that the Cardinal had not played the role he could have at the right moment. Lagos told A/S Valenzuela that he would be "delighted to be of service, if you believe it could be helpful."

13. (C) Lagos agreed with A/S Valenzuela that a refusal by Micheletti to step down prior to Lobo's inauguration represents a starting handicap for Lobo. Lobo will need to find an exit solution for deposed President Zelaya and generate legitimacy for his new administration in the eyes of the international community. A/S Valenzuela expressed that it might be helpful, after a period of time, for the OAS to issue a report on mechanisms to improve

democratic governance.

14. (C) Regarding the implementation of a truth commission, as stipulated in the San Jose Accord, Lagos confirmed that it has not yet been announced. He said that the Implementation Commission decided that announcing it in the context of current tensions would throw more fuel on the fire. He explained that the commission had discussed a timeframe for beginning its work in March.

Latin America is Not Just Chavez and Micheletti

15. (C) When turning to other concerns in the region, former President Lagos lamented what he considers a common over-simplification of Latin American political trends. While acknowledging that many countries in the neighborhood face serious problems -- he mentioned Venezuela and Argentina in particular -- Lagos posited that the prevalent view that Latin America countries are either in the hands of the extreme left or the extreme right is an unhelpful generalization. For example, Lagos suggested that the election of Jose Mujica in Uruguay, despite his revolutionary past, does not represent significant political change. Lagos also

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expressed his view that "Chavez's influence in the region is in decline." He predicted that a loss for Chile's center-left governing coalition in the January 17 presidential runoff may generate speculation about a shift of political power to the right in Latin America, which would also be an incomplete view of regional politics. Similarly, potential victories of Jose Serra in Brazil and Argentine opposition candidates would not reflect any fundamental shift to the right.

16. (C) In order to "breakdown the idea that there are only Chavezes and Michelettis in Latin America" Lagos discussed the possibility of developing a progressive leaders' working group for the region that would include U.S. members. Potential participants could include Presidents Michelle Bachelet (Chile) and Tabare Vazquez (Uruguay) after their terms end. Lagos mentioned that he had already discussed the idea with former President Felipe Gonzalez (Spain), who liked the idea. He insisted that it is important to demonstrate that Latin America has a "center-left that is modern, sensible, and lucid" and that efforts to do so would be worth the time invested. The Ambassador expressed that the Progressive Summit held in March 2009, attended by Vice-President Biden, was a successful event along those lines.

Chilean-Peruvian Relations: Arms Issues and the Maritime Border Dispute

17. (C) Lagos discussed Chile-Peru tensions, explaining that Peruvians are concerned that Chile's relations with the U.S. "are too close," adding that Peru is especially sensitive to the issue of arms purchases. He explained that, under his mandate, Chile had tried to develop an agreement with Peru and the United Nations for making both countries' arms purchases transparent, along the lines of Chile's agreement with Argentina where both countries inform the UN of their arms procurement. Despite his efforts, they were never able to establish such an agreement with Peru.

¶8. (C) Lagos also related how the Chile-Peru maritime border dispute, currently in the International Court of Justice at the Hague, began to heat up during his term in office (1994- 2000). He explained that the center of the dispute really has to do with Peruvian concerns that Bolivia will secure a marine access corridor via an agreement with Chile, something was under discussion during Lagos' time and is part of Chile's 13-point agenda with Bolivia today.

Chile's Domestic Politics: Chile Won't Change Much If Conservative Pinera Wins

¶9. (C) When asked by A/S Valenzuela if Chile would change if opposition conservative candidate Sebastian Pinera wins the upcoming presidential runoff on January 17, Lagos responded with a very confident, "No, I don't think so." He predicted that, if elected, Pinera will take a Sarkozy-like approach and try to create an image of broad inclusiveness in his government, "which would be good." He also predicted that Pinera will not change Chile's social policies if elected, as there are resources to maintain them and Chile will most likely be entering a new period of economic growth. (Note: Chile's current social protection policies are considered a hallmark of highly popular outgoing President Michelle Bachelet. End note.) When comparing notes with A/S Valenzuela about the voter registration drive in the late 1980s, prior to the

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end of Chile's dictatorship, Lagos described the country as being "at a different stage now."

¶10. (U) The Assistant Secretary cleared this cable.
SIMONS